

**Department of Personnel Administration
Memorandum**

TO: Personnel Management Liaisons (PML)

SUBJECT: 2005 Open Enrollment (Attachment C has been superseded by PML 2005-050)	REFERENCE NUMBER: 2005-028
DATE ISSUED: 08/24/05	SUPERSEDES:

This memorandum should be forwarded to:

**Personnel Officers
Personnel Transactions Supervisors
Personnel Transactions Staff**

FROM: Department of Personnel Administration
Benefits Division

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This memo provides important information on the 2005 Open Enrollment for the Dental, FlexElect, and CoBen Programs, 2006 dental and vision plan premiums, and CoBen allowances. Please make sure your employees know about the open enrollment period and the information contained in this memo. DPA recently mailed dental open enrollment information to State retirees, annuitants, and COBRA enrollees.

We've attached memos for you to distribute to your employees:

Attachment A - Memorandum to All State Employees (Open enrollment)

Attachment B - Dental Plan Options and Benefit Cost Comparison

Attachment C - 2006 Dental and Vision Plan Premiums

Attachment D - 2006 Dental and Vision COBRA Group Continuation Coverage Premiums

OPEN ENROLLMENT

Open Enrollment for Dental, FlexElect, and CoBen is **September 15, 2005 through October 15, 2005**. Enrollments/changes during this period are effective January 1, 2006.

For dental, eligible employees may enroll, cancel, or change plans, and add/delete dependents. For FlexElect and CoBen, eligible employees may enroll, cancel, or change their current options.

No action is necessary for currently enrolled employees who don't want to change their FlexElect Cash Option, CoBen Cash Option, and/or dental enrollment. However, Permanent Intermittent (PI) employees **must** re-enroll in the FlexElect/CoBen Cash Option during open enrollment if they want to remain in the program next year. Additionally, employees who want to continue enrollment next year in a FlexElect Reimbursement Account **must** re-enroll during open enrollment.

Completing the Open Enrollment Forms

Use the following information to complete open enrollment forms:

Permitting Event Date: Dental/FlexElect/CoBen Cash – 9/15/05

Effective Date: Dental/FlexElect/CoBen Cash – 1/1/06

Permitting Event Codes:

Dental

03 – New Enrollment

15 – Add/Delete Dependent(s) (May use one form for this type of transaction)

28 – Change of Plan

29 – Change of Plan **and** Add/Delete Dependent(s)
(May use one form for this type of transaction)

FlexElect/CoBen – Leave Permitting Event Code Blank

Deadlines:

10/15/05	Last day for employees to sign and submit open enrollment forms to Personnel Offices.
10/24/05	Last day for enrollment forms to be received in Personnel Offices (as shown on enrollment forms).
11/7/05	Last day for receipt by the State Controller's Office (SCO) of all open enrollment forms from Personnel Offices.
12/5/05	Last day for receipt by SCO of open enrollment forms returned to departments for correction (in order to be reflected on the 1/1/05 paycheck).
1/10/06	Last day for receipt by SCO of FlexElect and CoBen Cash open enrollment forms reflecting cancellation and/or changes (forms signed/submitted to Personnel Office by 12/31/05). The effective date will be retroactive to 1/1/06.

Note: If a deadline date ends on a Saturday, Sunday, or Holiday, then the deadline date will be extended to the next regular workday.

DENTAL PROGRAM

DPA contracts with Delta Dental, PMI, and SafeGuard to provide dental insurance for eligible:

1. rank and file employees (except those in Bargaining Unit BU 6);
2. excluded employees; and
3. retirees/annuitants.

The California Association of Highway Patrolmen (CAHP) offers its own indemnity dental plan to BU 5 employees who are CAHP members, but its members may opt to enroll in a State-sponsored prepaid plan. The California Correctional Peace Officers Association (CCPOA) provides dental insurance to BU 6 employees who are CCPOA members. Represented employees in BU 5 and 6 should be advised to contact their Benefit Trust for information regarding their union-sponsored dental plan premiums and benefits. Dental premiums for union-sponsored plans are listed on Attachment C.

Restriction on Enrollment in Delta Dental Plans

Except as noted below, employees must enroll in a State-sponsored prepaid dental plan during their first 24 months of State service. At the end of this 24-month period, employees who wish to enroll in the Delta Dental Premier or Delta Dental Preferred Provider Option (PPO) plan have 60 days to do so. This enrollment is available outside the open enrollment period.

The following employees are **not** subject to the 24-month restriction:

1. represented employees in BUs 2, 7, 8, 16, 17, 18, and 19;
2. excluded employees; and
3. employees who were previously State employees for 24 consecutive months without a permanent break in service during the 24 months.

CCPOA Dental Plan Restriction

Employees in BU 6 who are restricted to the union-sponsored prepaid plan, Western Dental, must complete 12 months in the prepaid plan before they are allowed to enroll in the union-sponsored indemnity dental plan, Primary Dental. At the end of this 12-month period, employees have 60 days to enroll in the union-sponsored indemnity dental plan if they want to. This enrollment is available outside of the open enrollment period.

CAHP Dental Plan Restriction

Employees in BU 5 who are restricted to a State-sponsored prepaid dental plan must complete 24 months of State service before they are allowed to enroll in the union-sponsored indemnity Blue Cross Dental Plan. At the end of this 24-month period, employees have 60 days to enroll in their union-sponsored Blue Cross Dental plan if they want to. This enrollment is available outside of the open enrollment period.

Delta Dental 2006 Premiums

Delta Dental premiums will increase for the Delta Premier and Delta Preferred Provider Option (PPO) dental plans effective January 1, 2006. The charts below and on Attachments C and D show Delta's dental premiums that go into effect January 1, 2006.

Impact on Employees Not in Consolidated Benefits (CoBen)

Employees not in CoBen, who are enrolled in either the Delta Premier or PPO plan, will see an increase in their out-of-pocket premium on their January 1, 2006, pay warrants (December 2005 pay period). The State's share of the premium will also increase.

Impact on Employees in Consolidated Benefits (CoBen)

Represented employees in BUs 2, 7, 8, 16, 17, 18, and 19, and excluded employees are in CoBen. Employees in CoBen pay the total dental premium with their CoBen benefit allowance. For employees enrolled in the Delta Premier or PPO plan, the increased dental premium will be deducted from their monthly CoBen allowance on their January 1, 2006 pay warrants (December 2005 pay period). See pages 7 and 8 for information on 2006 CoBen allowances.

Reminder: For employees in CoBen, the State share and employee share do not apply. Therefore, when you complete their dental forms, use the total premium amount as the amount deducted from their CoBen allowance.

The following charts show Delta's new dental premiums that go into effect January 1, 2006.

Delta Dental Premier Basic Plan for Represented Employees:

Coverage	2006 Total Premium	State Share	2006 Employee Share	Employee Share Increase
Employee only	\$46.72	\$35.04	\$11.68	\$0.32
Employee plus one dependent	\$82.30	\$61.73	\$20.57	\$0.57
Employee plus two or more dependents	\$119.40	\$89.55	\$29.85	\$0.85

Delta Dental Premier Enhanced Plan for Excluded Employees:

Coverage	2006 Total Premium
Employee only	\$48.63
Employee plus one dependent	\$96.77
Employee plus two or more dependents	\$136.17

Delta Dental Preferred Provider Option (PPO) for Excluded and Represented Employees:

Coverage	2006 Total Premium	State Share	2006 Employee Share	Employee Share Increase
Employee only	\$41.01	\$30.76	\$10.25	\$1.06
Employee plus one dependent	\$80.48	\$60.36	\$20.12	\$0.58
Employee plus two or more dependents	\$121.49	\$91.12	\$30.37	\$0.88

Prepaid Dental Plan 2006 Premiums

Premiums for PMI and SafeGuard will increase effective January 1, 2006. However, the State will continue to pay 100 percent of the premium for employees not in Consolidated Benefits (CoBen). See pages 7 and 8 for information on 2006 CoBen allowances.

Reminder: For employees in CoBen, the State share and employee share do not apply. Therefore, when you complete their dental forms, use the total premium amount as the amount deducted from their CoBen allowance.

The following chart and on Attachments C and D show the prepaid plans dental premiums that go into effect January 1, 2006.

Coverage	SafeGuard Standard	SafeGuard Enhanced	PMI
Employee only	\$14.74	\$14.42	\$16.91
Employee plus one dependent	\$23.88	\$24.41	\$27.74
Employee plus two or more dependents	\$33.45	\$30.07	\$38.37

Evidence of Coverage (EOC) Booklets, Participating Dentist Lists, and Membership Cards

You may want to request a small supply of EOC booklets and participating dentist lists from the dental plans to have available in your Personnel Office for employees.

Advise employees in BU 5 and 6 to contact their Benefit Trust for information on claim forms, EOCs, participating dentist lists, or membership cards.

FLEXELECT and COBEN CASH

Employees who enroll in any FlexElect Option or CoBen Cash during the open enrollment period and employees who are automatically re-enrolled in FlexElect/CoBen Cash Option have **until December 31, 2005**, to cancel their enrollment or make changes.

Copies of the 2006 FlexElect handbook (if you submitted an order form to DPA Benefits Division) will be mailed to departments prior to the start of the open enrollment period. Additionally, each location that ordered handbooks will be sent four posters that promote the FlexElect reimbursement accounts. These will be sent along with your handbook order and departments should display the posters in a prominent area that is visible to your employees. You should refer to Benefits Administration Manual Section 700 for information regarding FlexElect and processing instructions for open enrollment forms.

DPA recently mailed an open enrollment notification to the homes of all PI employees currently enrolled in the FlexElect Cash Option, as a reminder that they must re-enroll during open enrollment if they want to receive the cash option for the 2006 plan year. Postcard reminders for employees currently enrolled in a FlexElect Reimbursement Account were also mailed. These postcards explain that they must re-enroll during open enrollment if they want to participate in a reimbursement account in 2006.

As in the past, DPA sent Personnel Offices a list of employees in your department who are enrolled in a 2005 FlexElect Reimbursement Account. Where possible, we mailed the listing to the appropriate field office. You may want to send the employee(s) a reminder that they must re-enroll during open enrollment if they want to participate in a reimbursement account in 2006.

CONSOLIDATED BENEFITS (COBEN)

All excluded employees and employees represented by Bargaining Units 2, 7, 8, 16, 17, 18, and 19 are in CoBen.

Rank and File Employee CoBen Allowance

The allowances for rank and file employees are subject to change through collective bargaining. Check the DPA Web site or specific bargaining unit Web site for any updates. Effective January 1, 2006, the CoBen allowances for employees in Bargaining Units 2, 7, 8, 16, 17, 18, and 19 are as follows:

Unit 2	<u>2004/2005</u>	<u>2006</u>
Employee only	\$266	\$266
Employee plus one dependent	\$515	\$515
Employee plus two or more dependents	\$679	\$679

The CoBen allowances for BU 7 employees first enrolled in health benefit coverage before January 1, 2006 are as follows:

Unit 7	<u>2005</u>	<u>2006</u>
Employee only	\$266	\$365
Employee plus one dependent	\$515	\$696
Employee plus two or more dependents	\$679	\$906

The CoBen allowances for BU 7 employees first enrolled in health benefit coverage on or after January 1, 2006 are as follows:

Unit 7	<u>2006</u>
Employee only	\$365
Employee plus one dependent	\$544
Employee plus two or more dependents	\$663

Units 8, 16, and 19	<u>2005</u>	<u>2006</u>
Employee only	\$327	\$365
Employee plus one dependent	\$633	\$696
Employee plus two or more dependents	\$824	\$906

Unit 17	<u>2005</u>	<u>2006</u>
Employee only	\$327	\$346
Employee plus one dependent	\$633	\$677
Employee plus two or more dependents	\$824	\$887
Unit 18	<u>2005</u>	<u>2006</u>
Employee only	\$266	\$327
Employee plus one dependent	\$515	\$633
Employee plus two or more dependents	\$679	\$824

The CoBen allowance for Excluded employees is determined by DPA. Effective January 1, 2006, the CoBen allowances for all excluded employees are as follows:

Excluded Employee CoBen Allowance

	<u>2005</u>	<u>2006</u>
Employee only	\$328	\$367
Employee plus one dependent	\$643	\$707
Employee plus two or more dependents	\$836	\$918

DPA recently mailed an open enrollment notification to the homes of all Permanent Intermittent employees who are currently enrolled in the CoBen Cash Option as a reminder that they must re-enroll during open enrollment if they wish to receive the Cash Option for the 2006 plan year. Copies of the 2006 CoBen handbook (if you submitted an order form to DPA) will be mailed to departments prior to the start of the open enrollment period.

VISION PROGRAM

Effective January 1, 2006, the premium paid to the Vision Service Plan by the State will increase to \$9.19, a \$.67 increase. The premium for vision coverage will continue to be fully paid by the State. State employees' vision coverage is automatically established for employees and their eligible dependents and no form is required to enroll, add, or delete dependents during open enrollment. Therefore, employees need to continue to ensure that only eligible dependents are provided services under their State-sponsored vision plan.

PERSONNEL OFFICES

Your assistance in the following areas will be appreciated and will help make this open enrollment period successful:

- (1) provide a copy of the attached open enrollment memorandum to all employees (Attachment A);
- (2) make Dental, FlexElect, and CoBen Program material available or advise employees how to obtain such material;
- (3) assist employees in completing enrollment/change forms, review, and submit enrollment forms by the due dates listed in this memo; and
- (4) send completed enrollment forms and packages to SCO.

Please help your employees who have questions regarding open enrollment for the Dental, FlexElect, or CoBen Programs. If you need assistance to answer your employees' questions, please call Bryan Bruno, Benefits Program Analyst, at (916) 445-9841.

Sincerely,

/s/ [Debbie Endsley]

Debbie Endsley, Chief
Benefits Division

Attachment(s)